

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re)	Chapter 11
)	
W. R. Grace & Co. <u>et al.</u> ¹ ;)	Case No. 01-01139(JKF)
)	Jointly Administered
Debtors.)	

Objection Deadline:
August 3, 2004 at 4:00 p.m.
Hearing date: To be scheduled only
if objections are timely filed and served.

NOTICE OF FILING OF MONTHLY FEE APPLICATION

To: (1) The Debtors; (2) Counsel to the Debtors; (3) The Office of the United States Trustee; (4) Counsel to the Official Committee of Asbestos Personal Injury Claimants; (5) Counsel to the Official Committee of Asbestos Property Damage Claimants; (6) Counsel to the Official Committee of Equity Holders; and (7) Counsel to the Debtors-in-Possession Lenders (8) the Fee Auditor:

FTI Policano & Manzo ("FTI"), Financial Advisors to the Official Committee of Unsecured Creditors (the "Committee") of the above captioned debtor and debtors in possession in the above-captioned chapter 11 cases, filed and served the Thirty-Fifth Interim Application of FTI, Financial Advisors to the Committee, for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses incurred for the period February 4, 2004 through

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, I. B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

March 31, 2004, seeking compensation in the amount of \$27,101.00 and reimbursement for actual and necessary expenses in the amount of \$1,703.45 (the "Monthly Fee Application").

Objections or responses to the Monthly Fee Application, if any, must be made in writing and filed with the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, on or before **August 3, 2004 at 4:00 p.m.**

At the same time you must also serve a copy of the objections or responses, if any, upon the Affected Professional and each of the following: (i) co-counsel for the Debtors, James H.M. Sprayregen, Esquire, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 (fax number 312-861-2200), and Laura Davis Jones, Esquire, Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (fax number 302-652-4400); (ii) co-counsel to the Official Committee of Unsecured Creditors, Lewis Kruger, Esquire, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038-4982 (fax number 212-806-6006), and Michael R. Lastowski, Esquire, Duane Morris LLP, 1100 N. Market Street, Suite 1200, Wilmington, Delaware 19801-1246 (fax number 302-657-4901); (iii) co-counsel to the Official Committee of Asbestos Property Damage Claimants, Scott L. Baena, Esquire, Blizin, Sumberg, Dunn, Baena, Price & Axelrod, First Union Financial Center, 200 South Biscayne Boulevard, Suite 2500, Miami, Florida 33131 (fax number 305-374-7593), and Michael B. Joseph, Esquire, Ferry & Joseph, P.A., 824 Market Street, Suite 904, P.O. Box 1351, Wilmington, Delaware 19899 (fax number 302-575-1714); (iv) co-counsel to the Official Committee of Asbestos Personal Injury Claimants, Elihu Inselbuch, Esquire, Caplin & Drysdale, 399 Park Avenue, 36th Floor, New York, New York 10022 (fax number 212-644-6755), and Mark Hurford, Esquire, Campbell &

Levine, LLC, Chase Manhattan Centre, 15th Floor, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (fax number 302-426-9947); (v) co-counsel to the DIP Lender, J. Douglas Bacon, Esquire, Latham & Watkins, Sears Tower, Suite 5800, Chicago, Illinois 60606 (fax number 312-993-9767), and Steven M. Yoder, Esquire, The Bayard Firm, 222 Delaware Avenue, Suite 900, P.O. 25130, Wilmington, Delaware 19899 (fax number 302-658-6395); (vi) counsel to the Official Committee of Equity Holders, Thomas Moers Mayer, Esquire, Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022 (fax number 212-715-8000); and (vii) the Office of the United States Trustee, Attn: Frank J. Perch, Esquire, 844 N. King Street, Wilmington, Delaware 19801 (fax number 302-573-6497); and (viii) the Fee

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Auditor, to Warren H. Smith, Warren H. Smith and Associates, Republic Center, 325 N. St. Paul,
Suite 4080, Dallas, TX 75201.

Dated: July 14, 2004
Wilmington, DE

RESPECTFULLY SUBMITTED,

/s/ Michael R. Lastowski

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Co-Counsel for the Official Committee of Unsecured Creditors
of W. R. Grace & Co., et al.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

-----X
In re:

Chapter 11

W.R. GRACE & Co., et al.,

Case No. 01-01139 (JKF)
(Jointly Administered)

Debtors

THIRTY-FIFTH INTERIM APPLICATION OF FTI POLICANO & MANZO,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
(FOR THE PERIOD FROM FEBRUARY 4, 2004 THROUGH MARCH 31, 2004)

Name of Applicant:	FTI Policano & Manzo
Authorized to Provide Professional Services to:	The Official Committee of Unsecured Creditors
Date of Retention:	June 21, 2001
Period for which compensation and reimbursement is sought:	February 4, 2004 through March 31, 2004
Amount of Compensation sought as actual, reasonable and necessary (80% of \$33,876.25):	\$27,101.00
Amount of Expense Reimbursement sought as actual, reasonable and necessary (100%):	\$1,703.45

This is the thirty-fifth fee application filed for FTI Policano & Manzo ("FTI") in these cases. FTI was replaced by Capstone Corporate Recovery, LLC as financial advisors to the Official Committee of Unsecured Creditors (the "Committee"), nunc pro tunc to February 4, 2004, subject to order by the Court dated June 8, 2004. FTI continues to be retained by the Committee in a limited tax advisory capacity.

This is the Thirty-fifth application filed. Disclosure for prior periods and current period is as follows:

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(FOR THE PERIOD FROM FEBRUARY 4, 2004 THROUGH MARCH 31, 2004)

**ATTACHMENT A
TO FEE APPLICATION**

Date Filed (on or about)	Period Covered	Requested			
		Fees (100%)	Expenses (100%)	Fees	Expenses
June 28, 2001	April 20, 2001 through April 30, 2001	\$16,008.00	\$667.95	\$12,806.40 (80% of requested fees)	\$667.95
June 28, 2001	May 1, 2001 through May 31, 2001	\$104,081.50	\$2,513.09	\$83,265.20 (80% of requested fees)	\$2,513.09
July 28, 2001	June 1, 2001 through June 30, 2001	\$75,916.00	\$3,913.13	\$60,732.80 (80% of requested fees)	\$3,913.13
August 28, 2001	July 1, 2001 through July 31, 2001	\$71,989.50	\$3,871.54	\$57,591.60 (80% of requested fees)	\$3,871.54
September 28, 2001	August 1, 2001 through August 31, 2001	\$70,425.00	\$1,092.45	\$56,340.00 (80% of requested fees)	\$1,092.45
October 30, 2001	September 1, 2001 through September 30, 2001	\$104,816.50	\$3,028.40	\$83,853.20 (80% of requested fees)	\$3,028.40
November 29, 2001	October 1, 2001 through October 31, 2001	\$42,643.00	\$3,670.86	\$34,114.40 (80% of requested fees)	\$3,670.86
December 28, 2001	November 1, 2001 through November 30, 2001	\$50,048.50	\$1,864.72	\$40,038.80 (80% of requested fees)	\$1,864.72
January 28, 2002	December 1, 2001 through December 31, 2001	\$53,986.50	\$1,005.29	\$43,189.20 (80% of requested fees)	\$1,005.29
February 28, 2002	January 1, 2002 through January 31, 2002	\$63,207.00	\$2,549.70	\$50,565.60 (80% of requested fees)	\$2,549.70
March 28, 2002	February 1, 2002 through February 28, 2002	\$27,249.50	\$1,874.43	\$21,799.60 (80% of requested fees)	\$1,874.43

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Requested					
Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees	Expenses
April 28, 2002	March 1, 2002 through March 31, 2002	\$106,680.50	\$1,919.09	\$85,344.40 (80% of requested fees)	\$1,919.09
May 29, 2002	April 1, 2002 through April 30, 2002	\$102,314.00	\$4,657.40	\$81,851.20 (80% of requested fees)	\$4,657.40
June 28, 2002	May 1, 2002 through May 31, 2002	\$50,027.00	\$2,207.14	\$40,021.60 (80% of requested fees)	\$2,207.14
July 29, 2002	June 1, 2002 through June 30, 2002	\$43,359.00	\$1,381.59	\$34,687.20 (80% of requested fees)	\$1,381.59
August 31, 2002	July 1, 2002 through July 31, 2002	\$23,895.50	\$473.91	\$19,116.40 (80% of requested fees)	\$473.91
September 30, 2002	August 1, 2002 through August 31, 2002	\$76,092.50	\$1,264.23	\$60,874.00 (80% of requested fees)	\$1,264.23
October 31, 2002	September 1, 2002 through September 30, 2002	\$45,079.00	\$43.14	\$36,063.20 (80% of requested fees)	\$43.14
November 30, 2002	October 1, 2002 through October 31, 2002	\$46,633.50	\$256.76	\$37,306.80 (80% of requested fees)	\$256.76
December 31, 2002	November 1, 2002 through November 30, 2002	\$44,622.50	\$824.96	\$35,698.00 (80% of requested fees)	\$824.96
January 31, 2003	December 1, 2002 through December 31, 2002	\$42,335.00	\$34.69	\$33,868.00 (80% of requested fees)	\$34.69
February 28, 2003	January 1, 2003 through January 31, 2003	\$71,517.00	\$831.54	\$57,213.60 (80% of requested fees)	\$831.54

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**ATTACHMENT A
TO FEE APPLICATION**

Date Filed (on or about)	Period Covered	Requested			
		Fees (100%)	Expenses (100%)	Fees	Expenses
March 28, 2003	February 1, 2003 through February 28, 2003	\$131,416.50	\$2,264.79	\$105,133.20 (80% of requested fees)	\$2,264.79
April 30, 2003	March 1, 2003 through March 31, 2003	\$94,355.00	\$769.04	\$75,484.00 (80% of requested fees)	\$769.04
May 31, 2003	April 1, 2003 through April 30, 2003	\$39,810.00	\$133.70	\$31,848.00 (80% of requested fees)	\$133.70
June 30, 2003	May 1, 2003 through May 31, 2003	\$70,371.00	\$847.39	\$56,296.80 (80% of requested fees)	\$847.39
July 31, 2003	June 1, 2003 through June 30, 2003	\$62,684.00	\$408.81	\$50,147.20 (80% of requested fees)	\$408.81
August 31, 2003	July 1, 2003 through July 31, 2003	\$61,294.00	\$780.87	\$49,035.20 (80% of requested fees)	\$780.87
September 26, 2003	August 1, 2003 through August 31, 2003	\$90,447.50	\$1,312.37	\$72,358.00 (80% of requested fees)	\$1,312.37
October 24, 2003	September 1, 2003 through September 30, 2003	\$97,227.50	\$1,464.59	\$77,782.00 (80% of requested fees)	\$1,464.59
December 1, 2003	October 1, 2003 through October 31, 2003	\$75,036.00	\$1,282.62	\$60,028.80 (80% of requested fees)	\$1,282.62
January 5, 2004	November 1, 2003 through November 31, 2003	\$67,009.00	\$815.91	\$53,607.20 (80% of requested fees)	\$815.91

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(FOR THE PERIOD FROM FEBRUARY 4, 2004 THROUGH MARCH 31, 2004)

**ATTACHMENT A
 TO FEE APPLICATION**

Requested					
Date Filed (on or about)	Period Covered	Fees (100%)	Expenses (100%)	Fees	Expenses
January 26, 2004	December 1, 2003 through December 31, 2003	\$105,609.00	\$222.05	\$84,487.20 (80% of requested fees)	\$222.05
February 29, 2004	January 1, 2004 through February 3, 2004	\$92,750.50	\$1,138.73	\$74,200.40 (80% of requested fees)	\$1,138.73
June 15, 2004	February 4, 2004 through March 31, 2004	\$33,876.25	\$1,618.93	\$27,101.00 (80% of requested fees)	\$1,618.93

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(FOR THE PERIOD FROM FEBRUARY 4, 2004 THROUGH MARCH 31, 2004)

**ATTACHMENT B
TO FEE APPLICATION**

Name of Professional Person	Hourly Billing Rate (including changes)	Total Billed Hours	Total Compensation
S. Joffe	\$625	30.25	\$18,906.25
J. Schwartzman	\$525	27.80	\$14,595.00
M. Hakoun	\$150	2.25	\$337.50
N. Backer	\$ 75	.50	\$37.50
Totals:		60.80	\$33,876.25
Blended Rate:	\$557		

COMPENSATION BY PROJECT CATEGORY

Task Code	Project Category	Total Hours	Total Fees
04	Data Analysis	57.80	\$32,276.25
11	Creditors Committee	2.50	\$1,562.50
16	Fee Applications, Applicant	.50	\$37.50
	Total	60.80	\$33,876.25

W.R. Grace and Co.

FTI Consulting, Inc.

Summary of Professional Fees by Professional

For the Period 2/4/04 through 3/31/04

Professional	Position	Billing Rate	Hours	Fees
S. Joffe	Consultant	\$625.00	30.25	\$18,906.25
J. Schwartzman	Consultant	\$525.00	27.80	\$14,595.00
M. Hakoun	Research	\$150.00	2.25	\$337.50
N. Backer	Administration	\$75.00	0.50	\$37.50
<i>Total for the Period 2/4/04 - 3/31/04</i>			<u>60.80</u>	<u>\$33,876.25</u>

*W.R. Grace and Co.**FTI Consulting, Inc.**Summary of Hours and Fees by Task Category**For the Period 2/4/04 through 3/31/04*

<i>Category</i>	<i>Category Description</i>	<i>Hours</i>	<i>Fees</i>
04. Data Analysis	During the Fee Application period, the Applicant analyzed issues including the "lonely parent" tax rule, the Sealed Air settlement, and other tax related items. This includes discussions with the Debtor and Counsel.	57.80	\$32,276.25
11. Creditors Committee	During the Fee Application Period, the Applicant discussed various issues with the Committee. In addition, the Applicant spent time preparing memos for distribution to Committee members.	2.50	\$1,562.50
16. Fee Applications, Applicant	During the Fee Application Period, the Applicant prepared the January Fee Application.	0.50	\$37.50
<i>Total for Period 2/4/04 - 3/31/04</i>		<u>60.80</u>	<u>\$33,876.25</u>

THIRTY-FIFTH INTERIM APPLICATION OF FTI POLICANO & MANZO,
FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES
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(FOR THE PERIOD FROM FEBRUARY 4, 2004 THROUGH MARCH 31, 2004)

EXPENSE SUMMARY

Expense Category	Total Expenses
Postage, Over-Night Deliveries	\$42.45
Travel Expenses	\$1,568.01
Supplies	\$8.47
Research	\$84.52
Total	\$1,703.45

*W.R. Grace and Co.**FTI Consulting, Inc.**Detailed Time Description by Activity Category**For the Period 2/4/04 through 3/31/04*

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Description of Activity</i>
04. Data Analysis			
M. Hakoun	2/5/2004	2.25	Updated peer group analysis to include 4th quarter 2003 data.
S. Joffe	2/9/2004	2.00	Reviewed tax diligence materials and research.
S. Joffe	2/9/2004	2.00	Read and analyzed tax diligence and research materials.
J. Schwartzman	2/9/2004	2.00	Prepared and analyzed research documents, and discussed with S. Joffe.
S. Joffe	2/10/2004	4.00	Reviewed tax disclosure and research with respect to "lonely parent" rule, substance over form.
S. Joffe	2/11/2004	2.00	Reviewed research with respect to IRS Position on remedial ("Hermes" types) transaction; research with respect to REV RU 82-152 and "lonely parent" rule.
J. Schwartzman	2/11/2004	4.00	Read IRS documents and researched and discussed arguments with S. Joffe.
S. Joffe	2/12/2004	2.00	Corresponded with Mayer Greenberg (Stroock) regarding specified liability losses.
J. Schwartzman	2/12/2004	2.00	Prepared research and participated in discussion of PLRs on "lonely parent".
S. Joffe	2/13/2004	2.00	Reviewed research regarding "lonely parent" rule.
J. Schwartzman	2/17/2004	2.00	Participated in meeting with W.R. Grace tax department.
S. Joffe	2/18/2004	4.50	Participated in conference call with WR Grace tax staff and Stroock regarding Sealed Air settlement and emergence planning.
J. Schwartzman	2/18/2004	8.00	Met with W.R. Grace tax department.
S. Joffe	2/20/2004	3.00	Reviewed Sealed Air settlement documentation and prepared email correspondence with counsel.
J. Schwartzman	2/20/2004	3.00	Read and analyzed Sealed Air settlement agreement and related documents and discussed same with Steve Joffe.
S. Joffe	2/23/2004	2.00	Participated in conference call with counsel regarding tax issues.
J. Schwartzman	2/23/2004	2.00	Participated in conference call with counsel.
S. Joffe	2/25/2004	3.00	Participated in meeting with counsel regarding Sealed Air.
J. Schwartzman	2/25/2004	3.00	Participated in meeting with counsel regarding Sealed Air.
J. Schwartzman	2/27/2004	0.50	Discussed tax implications of hypothetical recovery analysis with case team members.
S. Joffe	3/19/2004	0.75	Reviewed memo regarding creditor recovery.
J. Schwartzman	3/19/2004	0.80	Edited report to Committee and provided comments to S. Cunningham.
S. Joffe	3/22/2004	0.50	Discussed with counsel Sealed Air settlement.
J. Schwartzman	3/22/2004	0.50	Edited report to Committee and provided comments to S. Cunningham.

<i>Professional</i>	<i>Date</i>	<i>Hours</i>	<i>Description of Activity</i>
<i>Subtotal - 04. Data Analysis</i>		<u>57.80</u>	
 <i>11. Creditors Committee</i>			
S. Joffe	2/17/2004	2.00	Participated in conference call with Committee and creditors.
S. Joffe	3/10/2004	0.50	Prepared memo to Committee.
<i>Subtotal - 11. Creditors Committee</i>		<u>2.50</u>	
 <i>16. Fee Applications, Applicant</i>			
N. Backer	2/5/2004	0.50	Processed January fee application.
<i>Subtotal - 16. Fee Applications, Applicant</i>		<u>0.50</u>	
<i>Total Hours for Period 2/4/04 - 3/31/04</i>		<u><u>60.80</u></u>	

W.R. Grace and Co.**FTI Consulting, Inc.****Project Expenses - Total by Professional by Expense Category****For the Period 2/4/04 through 3/31/04**

<i>Expense Type</i>	<i>Professional</i>	<i>Date</i>	<i>Amount</i>
Airfare/Train			
	J. Schwartzman	2/17/2004	\$400.00
<i>Subtotal - Airfare/Train</i>			<u>\$400.00</u>
Lodging			
	J. Schwartzman	2/19/2004	\$833.77
<i>Subtotal - Lodging</i>			<u>\$833.77</u>
Meals			
	J. Schwartzman	2/18/2004	\$203.24
<i>Subtotal - Meals</i>			<u>\$203.24</u>
Parking			
	J. Schwartzman	2/19/2004	\$30.00
	S. Joffe	2/25/2004	\$35.00
<i>Subtotal - Parking</i>			<u>\$65.00</u>
Postage & Over-Night Deliveries			
	M. Hakoun	2/18/2004	\$8.70
	M. Hakoun	2/17/2004	\$33.75
<i>Subtotal - Postage & Over-Night Deliveries</i>			<u>\$42.45</u>
Research			
	S. Joffe	3/29/2004	\$84.52
<i>Subtotal - Research</i>			<u>\$84.52</u>
Supplies			
	M. Hakoun	2/16/2004	\$8.47
<i>Subtotal - Supplies</i>			<u>\$8.47</u>

<i>Expense Type</i>	<i>Professional</i>	<i>Date</i>	<i>Amount</i>
Taxi			
	J. Schwartzman	2/19/2004	\$55.00
	J. Schwartzman	2/25/2004	\$11.00
<i>Subtotal - Taxi</i>			<u>\$66.00</u>
			<u><u>\$1,703.45</u></u>

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W.R. GRACE & CO., <u>et al.</u> Debtors.)) Chapter 11) Case No. 01-01139 (JKF)) Jointly Administered)) Related to Docket Nos. 5151 and 5427 5/24/04 Agenda Item 1
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**CONSENT ORDER AUTHORIZING THE EMPLOYMENT
AND RETENTION OF CAPSTONE CORPORATE RECOVERY, LLC
AS FINANCIAL ADVISORS FOR THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS AND LIMITING THE SCOPE OF THE
SERVICES TO BE RENDERED BY FTI CONSULTING, INC.**

The Official Committee of Unsecured Creditors (the "Committee") of W.R. Grace & Co., et al., the debtors and debtors-in-possession herein (the "Debtors"), by application dated February 20, 2004 (the "Application") for the entry of an order authorizing the Committee to employ and retain Capstone Corporate Recovery, LLC ("Capstone"), in place and instead of FTI Consulting, Inc. as financial advisors in these cases, pursuant to sections 327(a), 328 and 1103(a) of the Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), and Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), nunc pro tunc to February 4, 2004; and upon the affidavit of Edwin N. Ordway, Jr., a principal of Capstone, duly sworn to on the 20th day of February, 2004 (the "Ordway Affidavit"); and the Court being satisfied based upon the representations made in the Application and the Ordway Affidavit that (i) the employment of Capstone is necessary and in the best interests of the Committee and the Debtors' estates, (ii) Capstone represents no interest adverse to the Debtors and their estates, and (iii) Capstone is a "disinterested person" as that term is defined in § 101(14) of the Bankruptcy Code; and due and proper notice having been given to the Office of the United States Trustee (the "US Trustee"), counsel to the Debtors and all parties filing notices of appearance in these

cases pursuant to Bankruptcy Rule 2002; and the parties having resolved the limited objection filed by the US Trustee to the Application; and the US Trustee having consented to the entry of this Order and the Court's approval of the Application in the manner modified hereby; and after due deliberation, and sufficient cause appearing therefore; it is

ORDERED, that the Application is granted as modified hereby; and it is further

ORDERED, that the Committee be, and it hereby is, authorized to employ and retain Capstone Corporate Recovery, LLC as financial advisors to represent it in these cases under a general retainer, effective as of February 4, 2004 (the "Effective Date") on the terms set forth in the Application and the Engagement Letter (except as modified hereby) as annexed to the Ordway Affidavit; and it is further

ORDERED, that Capstone Corporate Recovery, LLC shall be compensated in accordance with the procedures and standards set forth in sections 328, 330 and 331 of the Bankruptcy Code, including the reasonableness standard, such Bankruptcy Rules as may then be applicable and any procedures established by orders of this Court including, but not limited to, the Administrative Order under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members dated May 3, 2001, as amended, April 19, 2002 (collectively, the "Administrative Fee Order"); and it is further

ORDERED, that as of the Effective Date, the engagement of FTI Consulting, Inc. ("FTI") as financial advisors to the Committee shall continue, but be limited to providing tax-related services for the Committee; and it is further

ORDERED, that FTI shall be compensated for the tax-related services rendered for the Committee on and after the Effective Date in accordance with the procedures and standards set forth in sections 328, 330 and 331 of the Bankruptcy Code, including the reasonableness standard, such Bankruptcy Rules as may then be applicable and any procedures established by orders of this Court including, but not limited to, the Administrative Order under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members dated May 3, 2001, as amended, April 19, 2002 (collectively, the "Administrative Fee Order").

Dated: Wilmington, Delaware
~~May~~ 8th, 2004
June

Judith K. Fitzgerald
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UNITED STATES BANKRUPTCY JUDGE